

- **UNBUNDLED LOCAL SWITCHING** - LSP's providing local exchange service utilizing a combination of their own facilities and SWBT's unbundled local switching may choose to purchase Operator Call Completion Services from SWBT; or the LSP may choose to "customize route" the calls to an Operator Services platform designated by the LSP.
- **PURE FACILITIES BASED PROVIDERS** - LSPs providing local exchange service solely through their own facilities may choose to contract with SWBT for the provision of Operator Call Completion Services to their end users, may opt to contract with another Operator Services provider, or may choose to provide their own call completion services.

14. SWBT currently provides nondiscriminatory access to operator call completion services on behalf of entities other than its own end user customers that is equal in quality to the services that SWBT provides to its own customers. 47 C.F.R. §51.217 (a)(2). STC Appendix OS. SWBT furnishes these services under contract on behalf of a number of ILECs and LSPs. As outlined in Kaeshoefer, Schedule 1, in Oklahoma, customers of SWBT's operator call completion services include Brooks Fiber Communications and Sprint. Brooks Fiber §6 F, Appendix OS. Sprint Attachment 23: OS (Other) SWBT-Provided Local and IntraLATA Operator Services. SWBT offers LSPs the same terms, conditions and pricing for Operator Call Completion Services that are currently offered to ILECs. The prices shown for Operator Call Completion Services in STC Appendix Pricing Schedule are the same that are offered to ILECs in Oklahoma today. The access arrangements enable all requesting carriers to offer their subscribers the ability to gain access to Southwestern Bell's Operator Call Completion Services through prevailing dialing arrangements with no unreasonable dialing delay. 47 C.F.R. §51.217(b). As outlined in STC Appendix OS, the specific Operator

Services provided to requesting carriers include:

- Fully Automated Call Processing. This allows the end user to complete a call utilizing equipment without the assistance of an operator. End users may bill fully-automated calls to a telecommunications calling card, a third number, or collect.
- Operator Assisted Call Processing. This includes the following types of services:
  - Semi-Automated: An end user dials 0+ the telephone number and the call is completed with the assistance of an Operator. This may include Station to Station or Person to Person send paid, calling card, collect or bill to third number calls.
  - Station to Station Operator Handled. An end user dials only the digit "0" and places either station to station or person to person sent paid, collect, third number or calling card call using an Operator's assistance.
- Line Status Verification - A service in which the caller requests that the Operator determine whether an access line is in use. See ¶¶ 20 and 21 for a complete description of how this service works.
- Busy Line Interrupt - A service in which the caller asks the Operator to interrupt a conversation in progress to determine if one of the parties is willing to speak to the caller requesting the interrupt. See ¶¶ 20 and 21 for a complete description of how this service works.
- Operator Transfer - A service in which a caller dials zero and desires to place an InterLATA call using an Operator's assistance. At the callers request the operator transfers the call to an Interexchange carrier participating in an offering of the LSP similar to SWBT's "Operator Transfer" service. The contracting LSP will make necessary arrangements between LSP and participating Interexchange carriers.
- Call Rating/Reference Information - A service where SWBT will quote the LSP's OS rates to the end user upon request. It is the LSP's responsibility to provide SWBT its current OS rates. 47 C.F.R. §51.217 (c)(3)(iv).
- Miscellaneous - Includes the following call types: General assistance, 800, 888, and connections to other Toll Free services, Repair Bureau and Business Office requests, credit requests and other 0- No Attempt services.

15. The LSP is billed for operator assisted calls on an "operator-work second" basis, and for fully-automated calls on a completed call basis. The access arrangements enable all requesting carriers to offer their subscribers the ability to gain access to Southwestern Bell's Operator Services through prevailing dialing arrangements with no unreasonable dialing delay. 47 C.F.R. § 51.217(b). SWBT provides nondiscriminatory access to Operator Call Completion services under contract to LSPs who provide local telephone service, pursuant to 47 U.S.C. § 251(b)(3) and the Rules issued in CC Docket 96-98. 47 C.F.R. § 51.217 (c)(2).

#### **BRANDING**

16. SWBT is willing to provide branding with the LSP's name for Operator Services and DA calls. 47 C.F.R. § 51.217 (d).
17. SWBT is currently capable of branding calls for an LSP that establishes a separate trunk group to the SWBT Operator Services switch. Branding is currently available in this case because the calls are handled first by the contracting carrier's switch, aggregated, and then delivered to SWBT's Operator switch over separate, dedicated trunk groups. These dedicated trunk groups allow the SWBT switch and operator to identify the call and the LSP and brand appropriately. With a separate trunk group, SWBT will brand all calls with the LSP's name. SWBT currently provides branded call completion and DA to ILECs and cellular companies who desire branding and route calls to the SWBT operator services switch on a separate trunk. These services are typically branded with the contracting carrier's name.

18. SWBT has ordered, purchased, and installed upgrades to make this branding capability available to resellers in Oklahoma. This feature has been fully tested and is currently available to resellers in Oklahoma. As outlined in the STC, Appendix Resale, ¶ 4.5, and agreed to by AT&T in a stipulation during the Oklahoma arbitration and Sprint in its Interconnection Agreement in Oklahoma, SWBT has installed software upgrades to its Operator Services switch to permit branding of resellers' calls. The installation of this feature gives SWBT the capability in all situations to brand operator services and directory assistance calls with the name of the carrier, in compliance with the FCC's Rules. 47 C.F.R. § 51.217 (d). Sprint Attachment 1: Resale, Appendices DA, Sec. 3.0, and OS, Sec. 9.0.
19. SWBT provides non-discriminatory access to non-switch based LSP resellers who elect to route traffic to the SWBT OS switch on the same trunk group with SWBT end users with access to a SWBT operator and the same Operator Call Completion Services and DA services on a resale basis that SWBT provides at retail to its own subscribers. 47 CFR § 51.217 (b).

**LINE STATUS VERIFICATION/BUSY LINE INTERRUPT**

20. Line Status Verification is a service that provides capability for the LEC operator to determine, upon customer request, whether a conversation is in progress on a particular line number. Busy Line Interrupt is a service that provides capability for the LEC operator, after determining that there is conversation on the line, to interrupt that conversation and request that the line be released so that the party requesting the

interrupt can contact the line that was verified. For example, a caller attempts to place a local or intraLATA call on a direct dial basis and repeatedly reaches a busy signal. The caller dials "0" and requests that the operator "check" the line to determine if it is busy. The operator first dials the number and if the line is clear, the call is completed. If the operator also reaches a busy condition the operator will access the verification equipment. The calling customer is still on the line but is on "hold" and cannot hear the verification process. When the operator accesses the verification network, a scrambler attaches to the line. This allows the operator to determine if conversation exists on the line without interrupting the conversation and without being able to understand what is being said. The scrambler protects the customer's privacy. The operator will report the result of the verification attempt to the calling customer. If there was conversation on the line, the caller may request that the operator interrupt that conversation. The caller is again placed on "hold." The operator can then interrupt the conversation in progress. At this time the operator can hear what is being said and the parties on the call will be able to hear the operator. To alert the parties that someone has accessed the line, an alerting tone will sound. The operator will advise that "calling party name" has requested that line be interrupted and ask if the line will be released. The operator will report to the calling party and if appropriate, complete the call.

21. To insure the privacy of our customers, features have been installed in the SWBT Operator Services switch to insure that the operator cannot hear a conversation when verifying a line and to alert customers that there is an interruption on the call.

22. Operators of ILECs, LSPs, and IXC's who are serving customers who require Line Status Verification and/or Busy Line Interrupt on a SWBT line can access the SWBT Inward Operator for these services. Sprint Attachment 1: Resale, Appendix Customized Routing-Resale, Sec. 2.0, Operator Services Busy Line Verification/Emergency Interrupt. The SWBT operator provides a report on line status or, if required, interrupts the call on behalf of the calling party. IXC's and OSPs access the SWBT Inward Operator under the terms of the SWBT Access Tariff. ILECs access SWBT Inward on a reciprocal basis. LSPs may choose access to the SWBT verification services using either method. SWBT will provide access to the SWBT Inward operator on a nondiscriminatory basis to any carrier. When an end user served by another carrier requests verification and/or interrupt of a SWBT end user telephone number the operator of the carrier will access the SWBT Inward operator who will perform the service and report the results to the carrier operator. On a reciprocal basis, when a SWBT end user requests verification and/or interrupt of another carrier end user the SWBT operator will access the Inward operator of the LSP who will perform the service. FCC Second Report and Order ¶ 111.

#### **LINE INFORMATION DATABASE**

23. The Line Information Database (LIDB) is a database system accessed by operators of Local Exchange Carriers (LEC), Interexchange Carriers (IXC) and Operator Service Providers (OSP). LIDB is used to validate LEC calling card numbers and to obtain Billed Number Screening data. LIDB service enables the following functions on an on-

line, call-by-call basis: (1) Validate telecommunications calling card information stored in the LIDB; (2) Determine whether the billed line automatically rejects, accepts, or requires verification of calls billed as collect or third number; (3) Determine whether the billed line is a Local Exchange Company pay phone or nonworking telephone number; and (4) Determine whether the central office code is active or vacant.

24. A variety of providers, including SWBT, offer LIDB services. An LSP must decide which LIDB provider it will use to store unique NPA-NXX telephone number and calling card information for customers. If it provides operator services, it must also determine how it will access LIDB information in order to validate alternate billing service calls made over the network.
25. There is information that must be stored in the SWBT LIDB even if an LSP chooses another LIDB provider. Although an LSP can provide its own LIDB service or contract with any other LIDB provider for dedicated NPA/NXX accounts, many customers will elect to retain their previous SWBT telephone number when changing local service providers. The service that allows a subscriber to keep the telephone number is called local number portability. Calls dialed to the original telephone number (called the ported number) are forwarded from the SWBT switch to the switch of the new LSP. Although the customer will be assigned a new terminating number on the switch of the new LSP, the service is virtually transparent to the end user. If alternate billing on ported numbers is desired by the local service subscriber, those accounts must currently be stored in the SWBT LIDB. This is because validation queries are routed today based on billing number's NPA-NXX. The ported number's

NPA-NXX is associated in national routing guides with the SWBT LIDB and any queries for that number will be directed through the network to that location for validation. For the same reasons, resold SWBT accounts must currently be stored in the SWBT LIDB.

26. SWBT currently provides non-discriminatory access to LIDB services on behalf of entities other than itself. SWBT provides these services for a number of ILECs and LSPs under contract. SWBT will provide, under contract, LIDB services to any LSP who provides local telephone service, pursuant to 47 U.S.C. Sec. 251 (b)(3) and the FCC's Rules. 47 C.F.R. § 51.319(e)(2). STC Appendix LIDB. Sprint Attachment 6: Unbundled Network Elements, Sec. 9.3.3 Line Information Database (LIDB). SWBT's LIDB is connected directly to a service management system (LVAS) a database editor (LIDB Editor), and a tape load facility. These facilities, processes, and systems provide the capability of creating, modifying, changing or deleting records in LIDB. SWBT's LIDB is also connected directly to an adjunct fraud monitoring system (SLEUTH). SWBT will provide LSPs with access to LVAS, LIDB Editor, and tape load facilities, as set forth in Appendix LIDB. Such access will be equivalent to the manner in which SWBT provides such access to itself. SWBT will also provide LSP with fraud alert from Sleuth using the same fraud monitoring parameters as SWBT uses for itself. 47 C.F.R. § 51.319(e)(3).
27. A facilities-based LSP with dedicated NPA-NXX accounts who contracts with SWBT to provide LIDB Services, can administer its own data. Various options for the initial load as well as ongoing updates of LSP data are available. "Initial load" refers to the



original input of data received from the LSP. SWBT will provide dial-up access for updates to the LIDB Validation Administration System to LSPs upon request from the LSP. The LSP cannot access the data of other LECs and is limited to accessing its own unique NPA/NXX data because of the proprietary nature of the information.

28. The LIDB services offered to LSPs are the same as those offered to ILECs. SWBT offers LIDB services to LSPs under the same terms, conditions and pricing that are offered currently to ILECs. The pricing shown for LIDB services in STC Appendix Pricing Schedule are the same that are offered to ILECs in Oklahoma today. The access arrangements enable all requesting carriers to gain nondiscriminatory access to Southwestern Bell's LIDB Services. 47 C.F.R. § 51.319 (e)(2)(ii). STC Appendix LIDB.

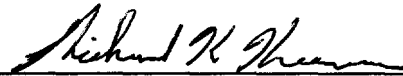
#### **DIRECT ACCESS TO DA DATABASE**

29. Direct Access to the DA database allows an LSP's operator to obtain listing information by searching the same DA database used by SWBT DA operators. This method is described in the FCC Second Report and Order, ¶ 143. SWBT has ordered, purchased, and installed upgrades to make this direct access available in Oklahoma. As outlined in STC, Appendix DIRECT, Direct Access allows LSPs access to SWBT's DA database for the sole purpose of providing voice DA to LSP end users. Upon receipt of an order from an LSP for direct access, SWBT will work with the LSP to activate this service, based on the LSP's specifications. This service will allow LSPs nondiscriminatory access to the same directory listing information available to

SWBT DA operators. 47 C.F.R. § 51.217 (c)(3)(ii). Sprint Attachment 6: Unbundled Network Elements, § 9.4, Access to Directory Assistance Database.

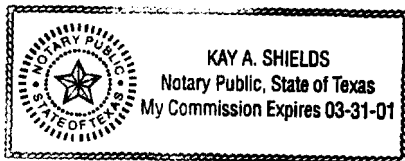
30. In summary, SWBT has unbundled facilities and functionalities providing operator services and DA pursuant to U.S.C. § 251(c)(3) of the Act. SWBT also provides nondiscriminatory access to Operator Services, Directory Assistance Services and related databases pursuant to U.S.C. § 251(b)(3) of the Act. SWBT offers to ILECs today access to DA and Call Completion Services. SWBT offers the same services to LSPs on the same terms and conditions as it does with ILECs. LSPs can elect to establish their own operator centers, establish an arrangement with a third party provider or negotiate with SWBT to provide these services. In the event an LSP chooses to provide its own DA Services, SWBT negotiates a mutual licensing agreement for exchange of local directory assistance listings. On a resale basis, SWBT is providing LSPs with nondiscriminatory access to SWBT DA and operator call completion services in the same manner that SWBT provides these services at retail to its own subscribers.

The information contained in this affidavit is true and correct  
to the best of my knowledge and belief.



Richard K. Keener

Subscribed and sworn to before me this 4<sup>th</sup> day of April, 1997.



  
NOTARY PUBLIC

My commission expires:

03-31-2001



**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the matter of

Application of SBC Communications Inc.,  
Southwestern Bell Telephone Company,  
and Southwestern Bell Communications  
Services, Inc., for Provision of In-Region,  
InterLATA Services in Oklahoma

CC Docket No. \_\_\_\_\_

**AFFIDAVIT OF LINDA D. KRAMER**

I, LINDA D. KRAMER, being duly sworn, deposes and states as follows:

1. My name is Linda D. Kramer. My business address is 1116 Houston, Room 1500, Ft. Worth, Texas 76102. I am Director-Inter-Industry Operations for Southwestern Bell Telephone Company ("SWBT"). In this position, I am responsible for directing the activities associated with daily provisioning and maintenance of interconnection facilities, and unbundled elements for the competing local exchange carriers ("CLECs"). I am also responsible for the maintenance of all resold or plain old telephone service ("POTS") lines for the CLECs.

**Education And Professional Experience**

2. I attended Louisiana State University - Shreveport, majoring in Business Administration.
3. I began working for BellSouth in 1966 holding both non-management and management positions in Operator Services. In 1977, I transferred to the Network Operations Department, with Bell South. I was responsible for the software translations, capacity determination, and line and number administration for 1 ESS, 1A ESS, and 2B ESS Central Office Switching Machines. In 1979, I transferred to Southwestern Bell as a manager with the same type responsibilities. I worked as a Technical Manager in both

Provisioning and Maintenance in the Inter-exchange Carrier Center in Houston, Texas. I was promoted to the position of Senior Design Consultant-Marketing/Sales in 1985, and coordinated the implementation of the first Southwestern Bell ISDN installation. I participated in the development of service order methods and procedures to support ISDN, the testing of ISDN customer applications, the development of operations support systems ("OSS") flow-through procedures, and the training of customer and marketing personnel. I was promoted to Area-Manager-Technical/Network Operations in 1988, serving in both staff and line organizations. In 1992, I established the first fully functional Regional Major Account Center in Southwestern Bell. The methods and procedures developed for force sizing guidelines, customized reports, test methods and procedures, were adopted as Southwestern Bell and Telmex models. I have developed methods and procedures, as well as provided technical support for CO LANs, SS7, CCO features, and ISDN. I was promoted to the position of Director - Inter-Industry Operations in September, 1996.

4. As Director - Inter-Industry Operations, I am responsible for managing the Local Service Provider Center ("LSPC"), which is the SWBT organization of customer services personnel that supports the day-to-day provisioning and maintenance activity for CLECs entering the local exchange market within its five state territory. For clarification, SWBT also refers to CLECs as local service providers ("LSPs"). The LSPC is part of Stephen Carter's organization. Stephen Carter is the Vice-President & General Manager - Special Services, and is in charge of SWBT's wholesale operation, which provides access and interconnection to SWBT's local exchange network facilities and services, as well as exchange access services.

**Purpose Of Affidavit**

5. The purpose of my affidavit is to describe the operations of SWBT's LSPC, and to demonstrate how SWBT is providing provisioning, and maintenance and repair services to the CLECs. My affidavit, together with the affidavits of Elizabeth A. Ham and Nancy J. Lowrance, demonstrates that SWBT is in compliance with its obligation under the Telecommunications Act of 1996 and the rules of the Federal Communications Commission to provide nondiscriminatory access to its OSS functions.

**Local Service Provider Center (LSPC)**

6. In order to meet its statutory and regulatory obligations, SWBT began development work in May, 1996 to create a LSPC to handle the provisioning, and the maintenance and repair of all interconnection facilities, resold services, and unbundled network elements provided to the CLEC's. The LSPC serves as the single point of contact for CLECs in connection with the provisioning, turn-up and acceptance testing of all interconnection facilities and unbundled elements, and the receipt of trouble reports and maintenance on all resold POTS services, interconnection facilities, and unbundled network elements. The LSPC provides these provisioning, and maintenance and repair services to the CLECs 24 hours a day, 7 days a week.
7. The LSPC handles all repair/maintenance requests of the CLECs and provides them with the status of trouble reports on demand. The LSPC is also responsible for providing service performance results to the CLECs as requested. Finally, the LSPC provides CLECs with trouble escalation list and disaster recovery plans, and educates them on internal work flows and processes.
8. The mission of the LSPC is to ensure that CLECs receive high quality provisioning, and maintenance and repair services at least on parity with that provided to SWBT's retail operations. In support of that objective, SWBT has committed considerable financial and

personnel resources. The capital and expense budget of the LSPC for the 1997 is \$2.3 million, with an additional \$2.8 million set aside for wages and salaries. In terms of personnel, the LSPC has grown from 3 employees to 28 management and non-management employees. Additional managers and support personnel are being added and will continue to be added as needed to support increased CLEC activity.

9. Two Area Managers report to me. The Area Manager - Inter-Industry Operations is responsible for the center operations, methods/procedures, personnel and training. The Area Manager - Service Management is responsible for directly interfacing with CLECs for service assurance levels and service improvement plans as required. Other managers within the LSPC are specifically assigned to supervise the Customer Service Representatives and Communication Testing Technicians.
10. The LSPC Customer Service Representatives directly interface with the CLECs to receive trouble reports, perform trouble testing on POTS lines, dispatch repair teams, and check on the status of repairs. The LSPC Communication Testing Technicians also directly interface with the CLECs to perform turn-up, testing, and repair of interconnection facilities and unbundled network elements. The LSPC Communication Testing Technicians must pass a complex technical test to fill these positions. In addition, they attend a series of pass/fail schools that must be completed before they are "qualified." Any current employee who does not successfully complete the training will be returned to their former positions, and new hires will be terminated. The training period for these employees is approximately 15 weeks at a cost of \$50,000 per employee.
11. SWBT is committed to provide the LSPC with sufficient resources to meet the demands of the CLEC's. SWBT has requested forecasts of expected transaction/order volumes from several of the larger potential CLECs. This information would allow the LSPC to



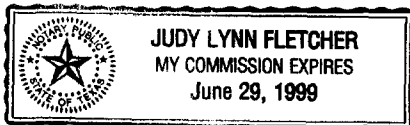
project trouble report volumes from the CLECs based upon SWBT's own experience. To date, few CLECs have provided any forecast information with which to develop resource strategies. Without forecasts from the CLECs, SWBT will have to determine future resource requirements after assessment of initial, actual transaction volumes received from the CLECs.

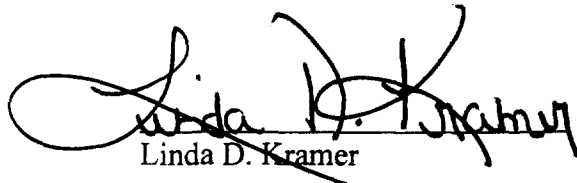
12. As discussed in Ms. Ham's affidavit, SWBT offers CLECs with several choices of electronic interfaces for submitting service orders, and for requesting maintenance and repairs. CLECs can choose to use those electronic interfaces or to interact manually with SWBT. In either event, when the LSPC receives a request for service provisioning request or maintenance and repair, LSPC employees directly coordinate with both the CLEC and with other SWBT internal departments, as needed, to process to completion each CLEC's individual requests.
13. In the case of provisioning, CLECs can place orders directly for interconnection facilities and unbundled network elements through one of the electronic interfaces or manually with the Local Service Provider Service Center ("LSPSC"), as discussed in Ms. Lowrance's affidavit. In either case, SWBT's "back-office" systems produce a work order which is received by the LSPC. Upon receipt of the work order, the LSPC Customer Testing Technicians perform turn-up and testing on the interconnection facilities and unbundled elements and the results are provided to the CLEC. If the circuit is accepted by the CLEC, the order is completed and billing begins. Resold POTS service orders are not coordinated through the LSPSC. Resold orders for POTS service issued by the LSPSC are distributed through our "back office systems" in the same manner as SWBT retail orders. These orders are installed by our installation forces in exactly the same manner as retail customer orders.

14. In the case of maintenance and repair, CLECs can submit trouble reports on all resold POTS lines, interconnection facilities, and unbundled network elements directly through one of the electronic interfaces or manually with the LSPC. To date, the LSPC has only received trouble reports manually via the telephone. Upon the receipt of trouble reports involving POTS lines, the LSPC Customer Service Representatives enter them into the Enhanced Customer Report System ("ECRS"), which interfaces with SWBT's "back-office" systems involved in maintenance and repair. A metallic line test is performed, and the results are provided to the CLEC along with a commitment time for restoration or repair of the service. This is precisely how trouble reports are handled on POTS lines for SWBT's retail customers.
15. Trouble reports received on interconnection facilities or unbundled network elements are also entered into ECRS. However, a commitment time for restoration or repair of these services is not provided, since repairs are performed on a "first-in, first-out" basis depending upon the class of service in the following list of priority -- DS3, DS1, DDS, and voice grade private line. The LSPC Communication Testing Technicians perform testing of the circuits, and trouble reports are dispatched to the appropriate organization for performance of the maintenance and repairs. While maintenance and repair activity is pending or underway on a trouble report, CLECs may call the LSPC for status reports and the estimated time when repairs will be completed.
16. To ensure parity in the provisioning of interconnection facilities and unbundled network elements and in the performance of maintenance and repairs on POTS lines, interconnection facilities, and unbundled network elements between SWBT's retail operations and the CLECs, the LSPC tracks service performance results on a company-

wide, market area, and individual CLEC basis. Among the types of performance indicators the LSPC is tracking are "reports behind installation," "report rate," "repeat report rate," and "grade of service." This information is provided to the CLECs in accordance with the terms and conditions of their individual agreements.

The information contained in this affidavit is true and correct to the best of my knowledge and belief.



  
Linda D. Kramer

Subscribed and sworn to before me this 8<sup>th</sup> day of APRIL, 1997.

  
NOTARY PUBLIC

My commission expires:



BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

|                                                                                                                                                                                                                                                                                                                                                                       |                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <p>In the matter of</p><br><p>Application of SBC Communications Inc.,<br/>Southwestern Bell Telephone Company,<br/>and Southwestern Bell Communications<br/>Services, Inc., d/b/a Southwestern Bell Long<br/>Distance, Pursuant to Section 271 of the<br/>Telecommunications Act of 1996 to Provide<br/>In-Region Originating, InterLATA Services<br/>in Oklahoma</p> | <p>CC Docket No. _____</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|

**AFFIDAVIT OF KATHLEEN LARKIN**  
**ON BEHALF OF SOUTHWESTERN BELL TELEPHONE COMPANY**

STATE OF                                 )  
                                                      ) ss.  
COUNTY OF                                 )

I, Kathleen Larkin, being first duly sworn upon oath, do hereby depose and state as follows:

**A.     AFFIANT'S BACKGROUND AND DUTIES**

1.     My name is Kathleen Larkin. I am District Manager--State Regulatory Issues for Southwestern Bell Telephone Company ("SWBT"), a wholly owned subsidiary of SBC Communications Inc. ("SBC"). SWBT is a "Bell operating company" ("BOC"), as defined in Section 3(4) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 ("the 1996 Act").<sup>1</sup> SWBT is an incumbent local exchange carrier within its operating areas in Oklahoma. Southwestern Bell Communications Services, Inc., d/b/a Southwestern Bell Long Distance ("SBLD") is an

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<sup>1</sup>All References to the Communications Act of 1934, as amended by the Telecommunications Act of 1996, shall be made as "Section \_\_\_\_."

affiliate through which SBC will provide in-region interLATA services under the 1996 Act.

2. As a District Manager of SWBT, I am responsible for regulatory compliance and public policy analysis within SWBT, particularly with regard to accounting issues. My responsibilities include regulatory compliance and planning, financial compliance and reporting and affiliated interest matters and audits.<sup>2</sup>

3. **EDUCATIONAL BACKGROUND**

I earned a Bachelor of Arts Degree from Texas Christian University in 1972. Since that time I have regularly attended seminars and workshops relating to accounting and regulatory issues and management information systems development.

4. **WORK EXPERIENCE**

- a. I was hired by Southwestern Bell Telephone Company in December of 1972 as an Accounting Office Supervisor responsible for payroll operations. I have held various accounting operations supervisory positions in property and cost, customer billing, and toll. In addition, I have held various supervisory positions in data center operations.
- b. From 1977 through 1987, I had specific programming and accounting procedures responsibilities at General Headquarters in St. Louis. These responsibilities were primarily with regard to accounting for property and cost, which included plant and engineering labor, continuing property records, and numerous supporting

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<sup>2</sup>In the Matter of Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, First Report and Order, CC Docket No. 96-149, FCC 96-489 (rel. Dec. 24, 1996) ("Non-Accounting Safeguards First Report and Order"); In the Matter of Implementation of the Telecommunications Act of 1996: Accounting Safeguards Under the Telecommunications Act of 1996, Report and Order (rel. Dec. 24, 1996) ("Accounting Safeguards Report and Order"). Applicants reserve their rights with regard to the filing of a petition for review in a court of competent jurisdiction.

computer systems, including the primary property and cost systems. During this time I also had responsibility for Computer Inquiry II and Divestiture accounting issues, particularly the assignment of assets.

- c. In 1987, I was appointed District Manager--Corporate Methods and had overall responsibility for all property and cost accounting procedures and system definition and design and the system definition and design responsibility for the corporate financial and budget systems. This has included the Project Management of the conversion from Part 31 to the Part 32 FCC Chart of Accounts, as well as Part 32 Cost Allocation Manual development responsibilities.
- d. I currently, as District Manager-State Regulatory Issues, have the responsibility for the oversight of affiliate transactions, which includes the documentation of the appropriate actions to be taken on affiliate transaction issues, contract administration/classification, affiliate services contract development, tracking and billing, and compliance with the FCC rules and regulations related to these transactions. I regularly consult with other subsidiaries involved in the purchase and sale of affiliate products and services in the execution of these responsibilities.

**B. PURPOSE OF AFFIDAVIT**

This affidavit demonstrates that SWBT will comply with the FCC accounting safeguards as promulgated in the Accounting Safeguards Report and Order, Appendix B, Final Rules, Part 32, Section 32.27, as required by Section 272 of the 1996 Act, and the FCC's transactional rules in its relationship with SBLD or any other SBC Section 272 affiliate that carries out the authorization requested in this Application. This affidavit also demonstrates that SWBT will comply with the FCC accounting safeguards as promulgated in the Accounting Safeguards Report and Order, Appendix B, Final Rules, Part 32, Section 32.27, as required by Section 272 of the 1996 Act, and

the FCC's transactional rules in its relationship with Pacific Bell Communications, Inc.

("PBCOM"), an SBC affiliate operating in California and Nevada.

**C. SWBT COMPLIES WITH THE ACCOUNTING REQUIREMENTS AND WILL ACCOUNT FOR AFFILIATE TRANSACTIONS AS REQUIRED**

SWBT currently maintains books, records, and accounts that are separate from the books, records, and accounts of SBLD and PBCOM. SWBT has and will continue to account for all transactions between SBLD and SWBT (and between PBCOM and SWBT, to the extent that there are any) in accordance with all applicable requirements of Parts 32 and 64 of the FCC's accounting rules, as modified by the rules adopted by the FCC in the Accounting Safeguards Report and Order, Appendix B.

1. To date, all of the services that SWBT has provided to SBLD have been recorded on a basis consistent with Parts 32 and 64 of the FCC's rules. SBLD and SWBT will reduce to writing and account for any affiliate transaction between SBLD and SWBT in accordance with the rules adopted by the FCC in the Accounting Safeguards Report and Order, Appendix B. SBLD's capital and expense budgets are separate from those of SWBT.
2. To date, there have been no transactions between SWBT and PBCOM, but to the extent there are any in the future, PBCOM and SWBT will reduce to writing and account for any affiliate transaction between PBCOM and SWBT in accordance with the rules adopted by the FCC in the Accounting Safeguards Report and Order, Appendix B. PBCOM's capital and expense budgets are separate from those of SWBT.

**D. SWBT WILL PARTICIPATE IN THE BIENNIAL AUDIT**

1. SWBT will coordinate, obtain, and pay for a joint federal/State audit, together with SBLD and any other affiliated, Section-272 company (including PBCOM), every two years. The audit will be conducted by an independent auditor to verify compliance with the



requirements of Section 272 and the FCC's regulations promulgated thereunder, including the separate accounting requirements under Section 272(b). The first such audit will begin at the close of the first full year of operations. The independent auditor will be selected in accordance with the FCC's requirements specified in the Accounting Safeguards Report and Order and Sections 53.209 and 53.211 of the Commission's rules. SWBT will coordinate with the federal/State joint audit team, as described in Section 53.209(d) of the Commission's rules. SWBT's letter of engagement with the independent auditor will require that the audit be performed consistent with all applicable regulatory requirements, including the specific requirements described in Section 53.209(b) of Commission's rules. SWBT will comply with the procedures described in Sections 53.211 and 53.213 of the Commission's rules.

2. SWBT will require the independent auditor to submit the results of the audit in accordance with the requirements of Section 53.213 of Commission's rules.
3. SWBT, together with its affiliates, including SBLD, PBCOM, Pacific Bell, Nevada Bell, and SBC, will provide the independent auditor, the FCC, and the Oklahoma Corporation Commission with access to financial records and accounts necessary to verify compliance with Section 272 and the regulations promulgated thereunder.
4. SWBT will require the independent auditor to provide the FCC and Oklahoma Corporation Commission with access to working papers and supporting materials relating to this audit consistent with Section 53.213(a)(1) of the FCC's rules and consistent with the proprietary information concerns set forth in the Accounting Safeguards Report and Order.